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# **SOUTH CAROLINA STATE DEVELOPMENT BOARD**

**ANNUAL REPORT**

**1982-1983**



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**STATE DOCUMENTS**

**Printed under the direction of the  
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# **SOUTH CAROLINA STATE DEVELOPMENT BOARD**

## **ANNUAL REPORT**

**1982-1983**



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## SOUTH CAROLINA STATE DEVELOPMENT BOARD MEMBERS

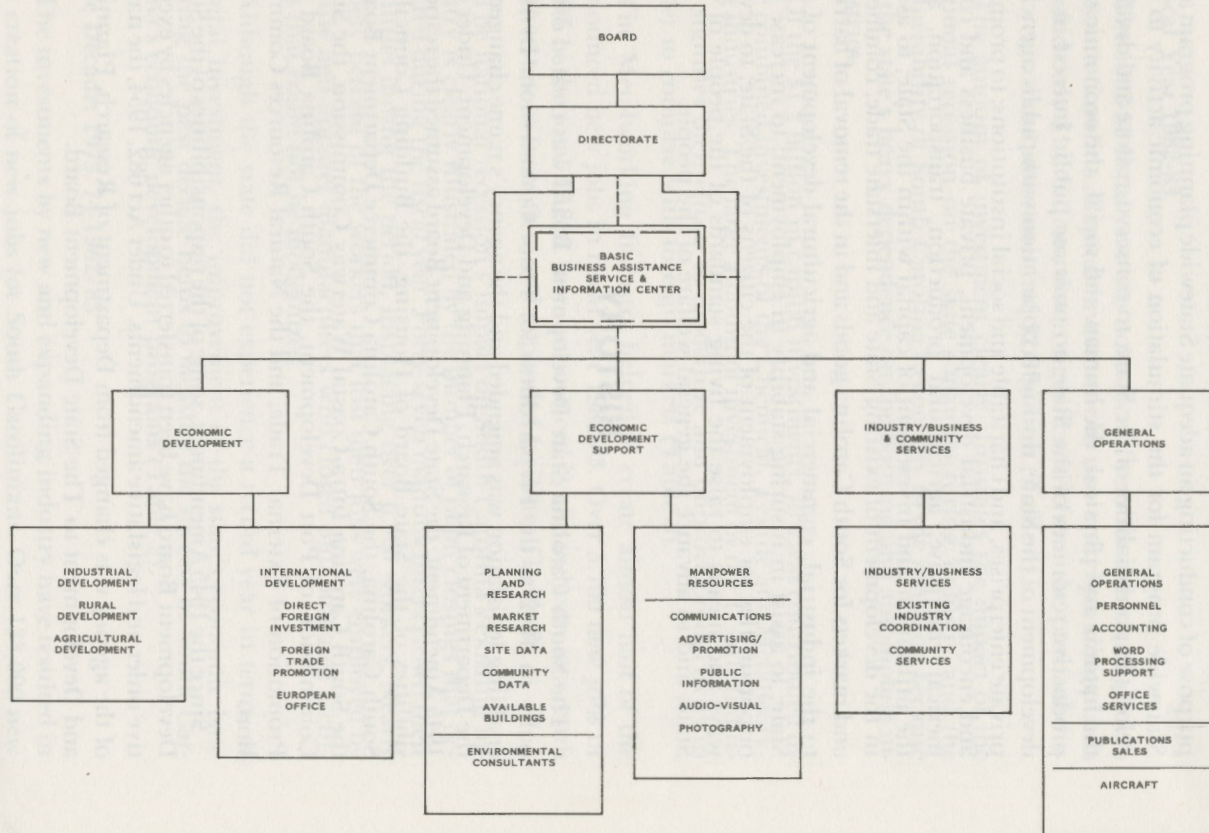
| Judicial<br>Circuit | Name                   | City         |
|---------------------|------------------------|--------------|
| Chairman            | Max M. Heller          | Greenville   |
| At Large            | C. C. Goodwin          | Sumter       |
| At Large            | Henry Sims II          | Orangeburg   |
| 1st                 | Dan Savitz             | St. Matthews |
| 2nd                 | Harry Peacock          | Blackville   |
| 3rd                 | Billie S. Fleming      | Manning      |
| 4th                 | M. C. Williams         | Hartsville   |
| 5th                 | John H. Lumpkin, Jr.   | Columbia     |
| 6th                 | John B. McDowell       | Chester      |
| 7th                 | Martha C. Chapman      | Spartanburg  |
| 8th                 | W. M. Self             | Greenwood    |
| 9th                 | Harry M. Hallman, Jr.  | Charleston   |
| 10th                | Mickey A. Walker       | Walhalla     |
| 11th                | J. P. Hester           | Mt. Carmel   |
| 12th                | Chester A. Duke        | Marion       |
| 13th                | W. Hayne Hipp          | Greenville   |
| 14th                | Wilda Juanita Robinson | Allendale    |
| 15th                | James P. Creel         | Myrtle Beach |
| 16th                | William B. Barron      | Rock Hill    |

## MANAGEMENT STAFF OF THE SOUTH CAROLINA STATE DEVELOPMENT BOARD

|                        |  |
|------------------------|--|
| Robert E. Leak         | Director   |
| John C. Hankinson, Jr. | Deputy Director  |
| Robert E. Glover       | Associate Director<br>and Manager,<br>Industrial Development |
| Edward B. Burgess      | Manager,<br>Planning and Research                            |
| G. L. Daniel           | Manager,<br>Communications                                   |
| P. M. Smurthwaite      | Manager,<br>Community Preparation                            |
| Caleb Whitaker         | Manager,<br>Reverse Investment                               |
| Robert Whitaker        | Manager,<br>Trade Promotion                                  |
| David Eldridge         | Manager,<br>Manpower Resources                               |
| Craig Cameron          | Coordinator,<br>Existing Industries                          |
| Willa Bellamy          | Manager,<br>General Operations                               |
| Walter Harris          | Manager,<br>Rural Development                                |



# SOUTH CAROLINA STATE DEVELOPMENT BOARD ORGANIZATIONAL CHART



## ENABLING LEGISLATION

The South Carolina State Development Board was created for the purpose of conducting an adequate Statewide planning program and Statewide program for the stimulation of economic activity to develop the potentialities of the State; to conserve, restore and develop the natural and physical, the human and social, the economic and productive resources of the State; to promote public interest in the development of the State, through cooperation with public agencies, private enterprises, and charitable and social institutions; to promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, and the utilization and investment of capital within the State; to assist in the development of existing State and interstate trade, commerce and markets for South Carolina goods and in the removal of barriers to the industrial, commercial and agricultural development of the State; to assist in insuring stability in employment; to increase the opportunities for employment of the citizens of the State; to devise ways and means to raise the living standards of the people of the State; and to advance the general welfare of the people.

## HISTORY

The South Carolina State Development Board was created originally in 1942 as the Preparedness for Peace Commission. In 1945 enabling legislation was amended and the agency's name changed to the Department of Research, Planning and Development. Under the 1945 Amendment, the State Development Board assumed the responsibilities of the State Board of Housing, the Building Council of South Carolina, the South Carolina Commerce Department Board, the South Carolina Intra-Coastal Waterway Commission, the State Commission of Port Development, the South Carolina Board for Promotion of External Trade, and the Natural Resources Commission.

Since the 1945 Amendment, some of the responsibilities of the State Development Board have been transferred to other agencies by executive order and legislative amendments. Under Act 682, 1954, the name of the agency was changed from Department of Research, Planning and Development to The State Development Board.



## **ECONOMIC GROWTH IN SOUTH CAROLINA 1973-1982**

### **Fiscal Year 1982-83**

The 1982-83 fiscal year was not a record year for industrial growth in South Carolina. Capital investment by new and expanding plants totaled only \$1.2 billion, down significantly from the previous fiscal year record investment of \$2.6 billion (Table 1).

The amount of investment clearly illustrates the impact of the national recession on the state's manufacturing industry and the vulnerability of South Carolina's economy to the recession because of the state's heavy dependence on the housing and automobile industries.

Of the \$1.2 billion in capital investments, 79% was contributed by the combined investments of the Chemical, Textile and Metalworking industries. The large amount of investment by the Textile Industry signifies their efforts to modernize and improve productivity in order to compete with foreign markets (Table 3).

The Metalworking Industry helped to create almost half of the announced new jobs in fiscal year 1982-83. Over 5,700 new jobs or 46.9% of the total 12,263, were announced by the industry as a result of investment from new and expanded facilities (Table 3).

The national recession's impact on South Carolina's existing industry is clearly illustrated by the number of plant closings that occurred during the fiscal year. Forty-seven manufacturers closed their facilities during the period, displacing over 6,500 workers. Nearly ninety percent of the workers that lost their jobs were employed by textile and apparel manufacturers who closed old, outdated facilities that could not be modernized.

Although the state did not experience a record year in terms of capital investment, the improvement in the state's economic base during the past decade helps to measure the success of South Carolina's economic development programs (Table 2).

### **The Decade: 1973/74-1982/83**

The investments by new and expanding industry have resulted in the creation of new jobs for South Carolinians. Over 133,000 new manufacturing jobs have been announced in the past ten years. (Table 1) At the same time, growth in manufacturing has helped to



spur nonmanufacturing growth in the state. Employment in the nonmanufacturing sector has almost doubled since 1972, rising from 387 thousand in 1972 to 773 thousand in 1982.

The improvement in the state's economy has resulted in a better standard of living for South Carolina's citizens. Wage levels, while still lagging behind national averages, continue to improve. Average hourly earnings in manufacturing have risen 139% since 1972.

Per capita income, another excellent indicator of growth, continues to grow at a rate exceeding the national average. South Carolina per capita income has grown from \$3,500 in 1972 to \$8,468 in 1982, an increase of 141.9%. Despite this gain, per capita income as a percent of the national average remains below 80%.

As the state has developed over the past ten years, manufacturing employment in South Carolina has undergone considerable change. In 1972, the Textile Industry employed over 43% of the state's manufacturing workforce. Today, as a result of diversification, that percentage has declined to 32%.

Although much progress has been made in recent years, the state remains below the national average in many economic indicators. Based on the rate of growth during the past ten years, the state will not reach the national average in per capita income before the year 2000. This clearly indicates that the state's development efforts must be greater than ever before in the coming decade.

Innovative programs such as the South Carolina Technical Education System's "Design for the Eighties", the South Carolina Jobs-Economic Development Authority and the South Carolina Research Authority will help to give South Carolina an advantage over many areas of the country.

But, it will take a cooperative and concerted effort on the part of all who influence South Carolina's economic development growth and the realization that economic development is an investment in the future if the state is to achieve accelerated economic growth.

## **ECONOMIC DEVELOPMENT**

The Economic Development Division coordinates the industrial and business development efforts of the state. The division is divided into several departments, each responsible for a special aspect of economic development.

During the fiscal year, the division targeted several industry groups as those that would be most beneficial for South Carolina. Each industrial agent has been assigned the responsibility of coordinating the targeting efforts for one of the industry groups. The targeted industry groups include: electronics, pharmaceuticals, medical-related devices, telecommunications, robotics, forestry and food processing, structural fibers and defense-related industries.

The division has also recently completed the first phase of the Development Board's computerized contact system. All of the agency's prospects will be entered into the computer, which is linked with the South Carolina Division of General Services. By computerizing the files, the industrial agents have the most up-to-date information readily available on each prospect interested in South Carolina and follow-up is monitored and prompted by the system.

### **Agricultural Industries Development**

The Agricultural Industries Specialist concentrates on expanding the industrial base in areas which utilize the state's agricultural products. The division works closely with the Department of Agriculture in its efforts to attract food processing and other agricultural-related businesses to South Carolina.

### **Rural Development**

The Rural Development Division was created in 1981 to help stimulate economic development activity in the nonmetropolitan areas of the state. The four industrial agents who comprise the division work in conjunction with local development leaders in an effort to encourage industrial prospects to consider South Carolina's rural areas for a plant location.

The Division's agents focus their efforts on the thirty-four nonmetropolitan counties in the state, placing a special emphasis on six counties targeted as those most economically distressed. The six counties are Clarendon, Jasper, Lee, Marlboro, McCormick and Williamsburg.



Since the Division's creation in 1981, over \$101,500,000 has been invested by new and expanding plants in the six targeted counties, creating over 1600 manufacturing jobs.

### **International Development**

The Development Board's International Division consists of two programs — the Direct Foreign Investment Program and Foreign Trade Promotion. The Direct Foreign Investment Program concentrates on attracting foreign investments in manufacturing facilities. The Foreign Trade Promotion Program conducts foreign trade missions and provides assistance in the development of import and export trade for South Carolina's manufacturers.

The Development Board also operates an office in Brussels, Belgium and maintains a liaison in Tokyo, Japan in order to maintain close contact with international business leaders.

The Development Board's international development efforts continued to be successful during 1982. Foreign industrial investment in South Carolina totaled \$450,460,000, accounting for 18.8% of the total investment by manufacturers in the state (Table 4).

## **ECONOMIC DEVELOPMENT SUPPORT**

The Economic Development Support Division is comprised of three departments — each providing support and information to the Economic Development Division, communities and private industry that are involved in South Carolina's economic development program.

### **Communications**

The Communications Division is responsible for public and community relations, maintaining media contact, and providing the audio-visual and promotional brochures to the various divisions of the Development Board. The Division also directs the Development Board's national and international advertising campaign.

The award winning advertising campaign has been a highly effective method for promoting South Carolina. During the past fiscal year, the campaign generated over 4,000 inquiries from both business and individuals interested in South Carolina.

The division developed a new promotional brochure during the fiscal year for use in response to inquiries. The brochure is a state highway map which features, on the reverse side, the incentives the state offers to new and expanding business.

### **Planning and Research**

The Planning and Research Division collects, develops, interprets, maintains and disseminates economic data relating to South Carolina. The division provides the data to business, industry, communities, staff and other organizations. The division also provides the staff's industrial agents with information in areas such as sites, buildings, transportation, education, raw materials, utilities, and other pertinent information that a prospect may require in making a plant location decision. The Division prepared special studies of South Carolina's resources for the electronics, pharmaceutical and robotics industries.

### **Manpower Resources**

The Manpower Resources Division is responsible for analyzing a new company's manpower needs and determining the availability of the state's work force. Such labor information is vital to the industrial development of communities, the expansion and growth of existing industries, and the attraction of prospective industries to South Carolina.



## **INDUSTRY/BUSINESS SERVICES & COMMUNITY SUPPORT**

The Industry/Business Services and Community Support Division maintains contact with existing South Carolina industries, assisting them in obtaining up-to-date technical and industry-wide information. Through such contact, the division assists in locating potential expansions of existing business and venture capital to potential prospects.

### **Business Assistance & Services Information Center**

The division serves as the coordinator of the new Business Assistance and Services Information Center (BASIC) for South Carolina.

The center provides expertise to business and industry in such areas as federal, state and local financing, business assistance and permitting, and export information.

The division is implementing a computerized data base of suppliers and service companies in South Carolina that can provide materials, components and services to business and industry.

By developing these services, the center can provide a one-stop service for business and industry interested in expanding or locating in South Carolina.

### **Community Development**

The division also assists small towns in South Carolina to attract industry. Through the GREAT (Governor's Rural Economic Achievement Trophy) Town Program, towns with a population under 15,000 prepare themselves to be more attractive to industrial prospects.

To earn GREAT Town status, towns must first successfully complete a program which addresses seven basic areas. These areas include site identification, preparation of promotional brochures, and the establishment of a development corporation. Since the program's inception in 1977, 54 of the state's communities have achieved GREAT Town status.

The success of the program is illustrated by the capital invested in GREAT Towns by industry during the past six years. Since 1977, 852 new and expanded plants have announced investments of over \$2 billion, creating an additional 17,900 jobs. One hundred seventeen new plants have been announced in 36 of the GREAT Towns, and expansion of industry has been announced in 51 of the communities.

**Table 1**  
**ANNOUNCED CAPITAL INVESTMENT**  
**BY FISCAL YEAR**

| YEAR         | CAPITAL<br>INVESTMENT (\$000) | EMPLOYMENT     |
|--------------|-------------------------------|----------------|
| 1973/74      | \$ 1,666,935                  | 14,094         |
| 1974/75      | 352,732                       | 7,753          |
| 1975/76      | 510,004                       | 7,309          |
| 1976/77      | 1,119,394                     | 12,636         |
| 1977/78      | 735,463                       | 15,511         |
| 1978/79      | 1,021,251                     | 17,624         |
| 1979/80      | 1,732,202                     | 19,967         |
| 1980/81      | 2,012,431                     | 13,280         |
| 1981/82      | 2,635,719                     | 13,521         |
| 1982/83      | 1,243,936                     | 12,263         |
| <b>TOTAL</b> | <b>\$12,530,067</b>           | <b>133,948</b> |

Source: Planning and Research Division; South Carolina State Development Board

**Table 2**  
**ANNOUNCED CAPITAL INVESTMENT**  
**BY INDUSTRY**  
**1973/74-1982/83**

| INDUSTRY           | CAPITAL<br>INVESTMENT (\$000) | % OF TOTAL    |
|--------------------|-------------------------------|---------------|
| Food               | \$ 294,978                    | 2.4           |
| Textiles           | 1,578,307                     | 12.6          |
| Apparel            | 107,752                       | 0.9           |
| Wood & Furniture   | 234,965                       | 1.9           |
| Paper & Printing   | 1,941,406                     | 15.5          |
| Chemicals & Allied | 3,666,099                     | 29.3          |
| Metalworking       | 3,423,060                     | 27.3          |
| Remaining*         | 1,283,500                     | 10.2          |
| <b>TOTAL</b>       | <b>\$12,530,067</b>           | <b>100.0%</b> |

\*Includes: Tobacco; Petroleum; Rubber and Plastics; Leather; Stone, Clay and Glass; and miscellaneous

Source: Planning and Research Division; South Carolina State Development Board



**Table 3**  
**ANNOUNCED CAPITAL INVESTMENT BY MANUFACTURING INDUSTRY**  
**FISCAL YEAR 1982-83**

| Industry           | Number of Firms |              | Employment    |              | Investment           |              |
|--------------------|-----------------|--------------|---------------|--------------|----------------------|--------------|
|                    | Number          | % of Total   | Number        | % of Total   | Dollars              | % of Total   |
| Food               | 44              | 6.5          | 428           | 3.5          | 29,322,000           | 2.4          |
| Textiles           | 102             | 15.0         | 1,505         | 12.3         | 338,939,000          | 27.2         |
| Apparel            | 45              | 6.6          | 1,249         | 10.2         | 11,800,000           | 1.0          |
| Wood and Furniture | 44              | 6.5          | 435           | 3.5          | 20,800,000           | 1.7          |
| Paper and Printing | 77              | 11.3         | 603           | 4.9          | 90,150,000           | 7.2          |
| Chemical           | 62              | 9.1          | 941           | 7.7          | 367,343,000          | 29.5         |
| Metalworking       | 223             | 32.7         | 5,750         | 46.9         | 278,371,000          | 22.4         |
| *Miscellaneous     | 85              | 12.5         | 1,352         | 11.0         | 107,211,000          | 8.6          |
| <b>TOTALS</b>      | <b>682</b>      | <b>100.0</b> | <b>12,263</b> | <b>100.0</b> | <b>1,243,936,000</b> | <b>100.0</b> |

\*Represents Tobacco; Petroleum; Rubber and Plastics; Leather; Stone, Clay, Glass and Concrete; and Miscellaneous.

Source: Planning and Research Division, S.C. State Development Board.

**Table 4**  
**VALUE OF FOREIGN INVESTMENTS AS A PERCENTAGE OF**  
**TOTAL INDUSTRIAL INVESTMENTS IN SOUTH CAROLINA**  
**1960-1982**  
**(\$000)**

| Year | Foreign<br>Investments | Total<br>Industrial<br>Investments | Foreign<br>Investments<br>Percent of Total |
|------|------------------------|------------------------------------|--|
| 1960 | \$ 32,083              | \$ 209,759                         | 15.3                                       |
| 1961 | 500                    | 217,677                            | 0.2  |
| 1962 | 485                    | 210,795                            | 0.2  |
| 1963 | 40,182                 | 264,208                            | 15.2                                       |
| 1964 | 29,506                 | 281,214                            | 10.5                                       |
| 1965 | 79,250                 | 600,006                            | 13.2                                       |
| 1966 | 152,800                | 509,012                            | 30.0                                       |
| 1967 | 17,750                 | 305,797                            | 5.8  |
| 1968 | 184,500                | 635,617                            | 29.0                                       |
| 1969 | 48,400                 | 706,289                            | 6.9  |
| 1970 | 72,300                 | 319,456                            | 22.6                                       |
| 1971 | 4,635                  | 473,391                            | 1.0  |
| 1972 | 61,900                 | 502,563                            | 12.3                                       |
| 1973 | 340,660                | 1,229,690                          | 27.7                                       |
| 1974 | 313,053                | 666,055                            | 46.9                                       |
| 1975 | 58,800                 | 511,445                            | 11.5                                       |
| 1976 | 186,005                | 487,685                            | 38.1                                       |
| 1977 | 408,162                | 1,235,171                          | 33.0                                       |
| 1978 | 208,205                | 857,233                            | 24.3                                       |
| 1979 | 392,535                | 1,541,135                          | 25.5                                       |
| 1980 | 348,908                | 1,515,643                          | 23.0                                       |
| 1981 | 492,816                | 2,394,152                          | 20.6                                       |
| 1982 | 450,460                | 2,394,244                          | 18.8                                       |

SOURCE: Planning and Research Division, S.C. State Development Board, December 1982.



**Table 5**  
**FOREIGN INVESTMENT BY MANUFACTURING PLANTS**  
**BY COUNTRY**  
**(\$000)**

| Country                   | Prior to<br>1980 | 1980-81 | 1982    | Percent<br>of Total | Total     | Percent<br>of Total* |
|---------------------------|------------------|---------|---------|---------------------|-----------|----------------------|
| Austria                   | 500              | —       | —       | —                   | 500       | *                    |
| Australia                 | —                | —       | 1,500   | 0.3                 | 1,500     | *                    |
| Belgium &<br>Luxembourg   | 12,905           | 22,765  | 65      | *                   | 35,735    | 0.9                  |
| Canada                    | 59,829           | 11,360  | 400     | 0.1                 | 71,589    | 1.8                  |
| Denmark                   | 3,000            | 2,000   | 150     | *                   | 5,150     | 0.1                  |
| France                    | 562,892          | 23,225  | 7,290   | 1.6                 | 593,407   | 14.8                 |
| Germany                   | 884,030          | 210,875 | 127,745 | 28.4                | 1,222,650 | 30.5                 |
| Great Britain             | 556,214          | 314,373 | 172,010 | 38.2                | 1,042,597 | 26.0                 |
| Japan                     | 258,425          | 56,200  | 107,000 | 23.8                | 421,625   | 10.5                 |
| Netherlands &<br>Antilles | 186,575          | 29,216  | 16,950  | 3.8                 | 232,741   | 5.8                  |
| South Africa              | 6,000            | —       | —       | —                   | 6,000     | *                    |
| Sweden                    | —                | 13,330  | —       | —                   | 13,330    | *                    |
| Switzerland               | 180,401          | 158,380 | 17,350  | 3.9                 | 356,131   | 8.9                  |
| Tiawan                    | 500              | —       | —       | —                   | 500       | *                    |
| TOTALS                    | 2,711,271        | 841,724 | 450,460 | 100.0               | 4,003,455 | 100.0                |

Percents may not add to 100 due to rounding.

\*Less than 0.1.

SOURCE: Planning and Research Division  
South Carolina State Development Board  
December 1982.

**Table 6**  
**VALUE OF FOREIGN MANUFACTURING INVESTMENT**  
**BY INDUSTRY**

(\$000)

| <u>Industry</u>  | <u>1982<br/>Investment</u> | <u>% of<br/>Total</u> | <u>Total<br/>Investment</u> | <u>% of<br/>Total</u> |
|------------------|----------------------------|-----------------------|-----------------------------|-----------------------|
| Textiles         | 26,695                     | 5.9                   | 214,400                     | 5.4                   |
| Paper & Printing | 30,400                     | 6.7                   | 348,742                     | 8.7                   |
| Chemicals        | 122,650                    | 27.2                  | 1,606,663                   | 40.1                  |
| Metalworking     | 257,090                    | 57.1                  | 1,074,404                   | 26.8                  |
| Others*          | <u>13,625</u>              | <u>3.0</u>            | <u>759,246</u>              | <u>19.0</u>           |
| <b>TOTAL</b>     | <b>450,460</b>             | <b>100.00</b>         | <b>4,003,455</b>            | <b>100.0</b>          |

\*Includes Food Products; Stone, Clay & Glass; Lumber and Wood Products; Rubber and Miscellaneous Plastics; and Miscellaneous Manufacturing Industries.

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SOURCE: Planning and Research Division  
 South Carolina State Development Board  
 December 1982



## PUBLICATIONS OF THE SOUTH CAROLINA STATE DEVELOPMENT BOARD

Industrial Revenue Bonds in South Carolina  
 Regulations and Pertinent Forms for New Industry  
 There's Still a Place Left for Eagles  
 South Carolina Community Data Sheets  
 South Carolina Industrial Building Flyers  
 South Carolina Industrial Directory  
 South Carolina Metalworking Directory  
 South Carolina: Profile for Profit  
 South Carolina State Development Board Annual Report  
 South Carolina-300 years of commitment to profit . . . and to  
 people.  
 Supportive Services — State of South Carolina  
 Taxes in South Carolina

### EXPENDITURES FISCAL YEAR 1982-83

|                                |                    |
|--------------------------------|--------------------|
| Administration                 | \$ 217,199         |
| Economic Development & Support | 2,989,425          |
|                                |                    |
| <b>TOTAL EXPENDITURES</b>      | <b>\$3,206,624</b> |